

Message Text

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64

ACTION EB-11

INFO OCT-01 ARA-16 EA-11 ISO-00 L-03 SS-20 SPC-03 NSC-10

H-03 AID-20 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00

RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01

OMB-01 STR-08 AGR-20 PA-04 PRS-01 SSO-00 NSCE-00

USIE-00 INRE-00 EUR-25 DRC-01 /199 W

----- 121743

O P 162145Z OCT 73

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC IMMEDIATE 2669

INFO AMEMBASSY GUATEMALA IMMEDIATE

AMEMBASSY SAN SALVADOR IMMEDIATE

AMEMBASSY TEGUCIGALPA IMMEDIATE

AMEMBASSY LA PAZ PRIORITY

AMEMBASSY TOKYO PRIORITY

AMEMBASSY MEXICO CITY PRIORITY

AMEMBASSY SAN JOSE PRIORITY

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E. O. 11652: N/A

TAGS: ETRD, GT, ES, HO, NU

SUBJECT: COTTON CONTRACTS

REF: STATE 203891

1. ACCORDING TO THE PRESIDENT OF THE NATIONAL COTTON COMMISSION, GENERAL RODRIQUEZ SOMOZA, NEITHER THE GOVERNMENT OF NICARAGUA NOR THE COMMISSION HAVE THREATENED TO SUSPEND COTTON SHIPMENTS TO JAPAN. RODRIQUEZ CONFIRMED THAT GON POLICY, AS PUBLICLY STATED BY GENERAL ANASTASIO SOMOZA LAST WEEK, WAS THAT IT WOULD NOT REPEAT NOT INTERVENE IN FUTURES SALES BECAUSE "THE CONTRACTS WERE MADE BILATERALLY

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AND EACH SELLER WILL HAVE TO WORK OUT AN ARRANGEMENT

WITH OWN FOREIGN BUYER." RODRIQUEZ ADDED THAT, WHILE THE COMMISSION WAS ENCOURAGING DELIVERY ON MHOATURES#CONTRACTS, HE PERSONALLY FELT THAT MANY COTTON GROWERS WOULD DECIDE ON THEIR OWN NOT TO DELIVER IF WORLD PRICES REMAINED AT THE CURRENT HIGH LEVELS. HE SAID NICARAGUAN GROWERS HAVE ALREADY RECEIVED INQUIRIES ABOUT LARGE-SCALE PURCHASES FROM BUYERS IN NATIONALIST CHINA, HONG KONG, KOREA AND ENGLAND.

2. COMMENT: AT THIS POINT, IT APPEARS GON POLICY IS STRICTLY ONE OF HANDS OFF. WHILE THE GON WILL NOT TAKE ANY ACTION TO INVALIDATE EXISTING CONTRACTS, IT ALSO APPEARS THAT THE GON CANNOT ENFORCE CONTRACTS OUTSIDE THE COURTS WHICH ARE TRADITIONALLY SLOW. WE UNDERSTAND FUTURES CONTRACTS ON 1973/74 COTTON CROP APPROXIMATE 400,000 BALES. LOCAL SPECULATION (AND IT'S ANYBODY'S GUESS) PREDICTS THAT PERHAPS AS MUCH AS 200,000 BALES MIGHT NOT BE DELIVERED. SHELTON

NOTE BY OCT: MANAGUA 4108 #AS RECEIVED. WILL BE SERVICED ON REQUEST.

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 16 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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